

# AGENDA

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## UTAH COUNTIES INDEMNITY POOL BOARD OF TRUSTEES MEETING

Thursday, October 13, 2016, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

12:30 Open Meeting, Pledge of Allegiance Bruce Adams

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ITEM	ACTION	
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1	Review/Excuse Board Members Absent	Bruce Adams
2	Review/Approve August 18, 2016 Meeting Minutes	Karla Johnson
3	Review/Approve Daggett County Exposure Reduction Request	Sonya White
4	Review/Approve County Related Entities Membership	Mike Wilkins
5	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
6	Review/Approve Third Quarter 2016 Financial Statements	Sonya White
7	Review/Approve 2017 Tentative Budget	Sonya White
8	Review/Approve Policies of the Board	Johnnie Miller
9	Review/Approve Coverage Addendum Amendments—Crime	Johnnie Miller
10	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
11	Action on Personnel Matters	Brad Dee
12	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
13	Action on Litigation Matters	Dale Eyre

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**INFORMATION**

14	Nominating Committee Report	Bret Millburn
15	Annual Membership Meeting Planning	Sonya White
16	Claims Manager's Report	Korby Siggard
17	Chief Executive Officer's Report	Johnnie Miller
18	Other Business	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240 Anchor Location: 5397 S Vine, Murray, UT





# Entity: Utah Counties Indemnity Pool

## Body: Board of Trustees

<b>Subject:</b>	Administrative Services
<b>Notice Title:</b>	Board of Trustees Meeting
<b>Meeting Location:</b>	5397 S Vine Murray 84107-6757
<b>Event Date &amp; Time:</b>	October 13, 2016 12:30 PM - 3:30 PM
<b>Description/Agenda:</b>	<p>Open Meeting, Pledge of Allegiance  Review/Excuse Board Members Absent  Review/Approve August 18, 2016 Meeting Minutes  Review/Approve Daggett County Exposure Reduction Request  Review/Approve County Related Entities Membership  Ratification/Approval of Payments and Credit Card Transactions  Review/Approve Third Quarter 2016 Financial Statements  Review/Approve 2017 Tentative Budget  Review/Approve Policies of the Board  Review/Approve Coverage Addendum Amendments-Crime  Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual  Action on Personnel Matters  Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation  Action on Litigation Matters  Nominating Committee Report Bret Millburn  Annual Membership Meeting Planning Sonya White  Claims Manager's Report  Chief Executive Officer's Report  Other Business</p>
<b>Notice of Special Accommodations:</b>	In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107, or call 800-339-4070, at least three days prior to the meeting.
<b>Notice of Electronic or telephone participation:</b>	Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.
<b>Other information:</b>	

**Contact Information:**

Sonya White  
801-565-8500  
sonya@ucip.utah.gov

**Posted on:**

October 12, 2016 09:00 AM

**Last edited on:**

October 12, 2016 09:00 AM

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**BOARD OF TRUSTEES' MEETING  
MINUTES**

October 13, 2016, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

**BOARD MEMBERS PRESENT**

Bruce Adams, *President*, San Juan County Commissioner  
Bret Millburn, *Vice President*, Davis County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Alma Adams, Iron County Commissioner  
William Cox, Rich County Commissioner  
Robert Dekker, Millard County Sheriff  
Kerry Gibson, Weber County Commissioner  
Victor Iverson, Washington County Commissioner  
Mike Wilkins, Uintah County Clerk/Auditor

**BOARD MEMBERS TELEPHONICALLY**

Mark Whitney, Beaver County Commissioner

**BOARD MEMBERS ABSENT**

Brad Dee, Weber County Human Resources Director  
Dale Eyre, Sevier County Attorney  
James Kaiserman, Wasatch County Surveyor

**OTHERS PRESENT**

Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Chief Financial Officer  
Korby Siggard, UCIP Claims Manager  
Marty Stevens, UCIP Operations Specialist

**Call to Order**

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Trustees to order at 12:30 p.m. on October 13, 2016, and welcomed those in attendance. Bruce Adams led the Pledge of Allegiance and a prayer was offered.

**Review/Excuse Board Members Absent**

Alma Adams made a motion to excuse Brad Dee, Dale Eyre and James Kaiserman from this meeting. Bret Millburn seconded the motion, which passed unanimously.

**Review/Approve August 18, 2016 Meeting Minutes**

The minutes of the Board of Trustees meeting held August 18, 2016 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the August 18, 2016 Board of Trustees meeting minutes as written. Mike Wilkins seconded the motion, which passed unanimously.

**Review/Approve Daggett County Exposure Reduction Request**

Sonya White reported that Daggett County has notified management that as of September 30, 2016 their contract with the Bureau of Reclamation, for security of the Flaming Gorge Dam, will end.

#### **Review/Approve Daggett County Exposure Reduction Request (continued)**

This will be a reduction in the public safety budget of \$857,949 and 22 public safety employees from what the County reported in June for the 2017 program. Daggett County is requesting that that Board look at this change for a possible adjustment to their 2017 member contribution. Sonya White explained that the rating methodology that the Board approved in August required adjustment of contribution for Daggett County. Therefore, the change in exposure would not affect the calculated contribution. Mike Wilkins made a motion for management to discuss the new rating methodology and change in exposure with the Daggett County. Victor Iverson seconded the motion, which passed unanimously,

#### **Review/Approve County Related Entities Membership**

Mike Wilkins reported that the Emery County Recreation Special Service District is looking at membership in the Pool (see attachment number two). The District qualifies under the Bylaws as a County Related Entity eligible for membership in the Pool. Mike Wilkins made a motion to approve the Emery County Recreation Special Service District as a non-equity, non-voting member of the Pool. Victor Iverson seconded the motion, which passed unanimously.

#### **Ratification and Approval of Payments and Credit Card Transactions**

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of August 19, 2016 through October 13, 2016 (see attachment number three). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Mike Wilkins seconded the motion, which passed unanimously.

#### **Review/Approve Third Quarter 2016 Financial Statements**

Sonya White provided the Board with the third quarter in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Pool as of September 30, 2016 to the basic financial statements (see attachment number four). Total net position increased \$507,604 from year ended 2015 and \$1,443,735 from the third quarter 2015. With the year 75% complete, revenues are at 76% of budgeted, underwriting expenses are at 69% of budgeted, and administrative expenses are at 62% of budgeted. William Cox made a motion to approve the third quarter 2016 financial statements as prepared and presented. Bret Millburn seconded the motion, which passed unanimously.

#### **Review/Approve 2017 Tentative Budget**

Sonya White provided the Board with a draft 2017 Tentative Budget for review (see attachment number five). Sonya White explained that the Board had approved a projected 2017 budget for purposes of the actuarial rate analysis. Now with the rates being approved by the Board and seeing how expenses are developing for 2016, management has a more accurate projection for the Board's tentative 2017 Budget. The Board reviewed a comparison of the final audited 2015 numbers, the approved 2016 Budget, the Projected 2017 Budget and the Tentative 2017 Budget. Robert Dekker made a motion to approve the Tentative 2017 Budget with a change from \$100,000 in Investment Revenue to \$75,000. Mike Wilkins seconded the motion, which passed unanimously.

#### **Review/Approve Policies of the Board**

Johnnie Miller provided the Board with a Review Schedule to assure that the Board reviews each of its major policies on an annual basis (see attachment number six). Johnnie Miller provided the Board with the proposed amendments to the Dividend Policy (see attachment number seven). Johnnie Miller explained that PricewaterhouseCoopers (PWC) conducted a risk based analysis for targeting surplus needs based on insurance industry standards. That report indicated that if UCIP was an insurance carrier seeking an A rating with the industry rating agencies, its surplus target would be approximately \$13,700,000. The report also stressed that items like the self-insured retention of the Pool, growth in membership, reinsurance structure and diversification of investments would all impact that target, leading to the recommendation that the Pool adopt a targeted range for surplus rather than a set amount.

#### **Review/Approve Policies of the Board (continued)**

Miller explained that the Pool's \$250K retention is pretty low within the industry and while the actuaries have found that the premium discount hasn't been worth the additional cost within the SIR to take a higher retention, UCIP should be prepared to assume a larger SIR in the future. As the study did not consider items that reduce the risk (and need for surplus) of a government pool such as immunities, tort caps, security of investments and pooling for reinsurance, Miller noted that the Board should consider the target identified in the report as a high end benchmark, and not as an absolute indication of surplus need. The target adopted by the board needs to consider this insurance industry analysis balanced with pooling industry standards for surplus targeting, which is generally 50% - 100% of annual revenue. Miller then recommended the Board consider a surplus target range of 90% - 250% of annual revenue, and incorporate that range into both the Net Asset Management Policy and Dividend Policy. Mike Wilkins made a motion to approve making changes to the Net Asset Management and Dividend Policies as presented and recommended by UCIP Management. Karla Johnson seconded the motion, which passed unanimously.

#### **Review/Approve Coverage Addendum Amendments—Crime**

Johnnie Miller provided the Board with proposed amendments to the Crime Section of the Coverage Addendum (see attachment number eight). UCIP jointly purchases on behalf of the Members a Government Crime Policy. Periodically the carrier of the Policy will make changes to the language and add or delete coverage. To correlate coverage with UCIP's Coverage Addendum and the Crime Policy; Johnnie Miller recommended that the Crime Section reference the Crime Policy and attach it as Appendix I to the Addendum. William Cox made a motion to approve the Coverage Addendum Amendments to the Crime Section, effective November 1, 2016, as presented. Alma Adams seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Bret Millburn made a motion to Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual at 1:48 p.m. on October 13, 2016. Kerry Gibson seconded the motion, which passed unanimously. Board Members present at and participating in the closed meeting were: Bruce Adams, Bret Millburn, Karla Johnson, Alma Adams, William Cox, Robert Dekker, Kerry Gibson, Victor Iverson, Mark Whitney and Mike Wilkins. Also present was: Johnnie Miller.

The regular scheduled meeting resumed at 2:00 p.m. on October 13, 2016.

#### **Action on Personnel Matters**

Robert Dekker made a motion to accept Johnnie Miller working part-time for the Foundation for Integrated Preservation (FIP). If any conflicts arise with Johnnie Miller's employment with the Pool, the conflict(s) will be disclosed to the Board. Karla Johnson seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Bret Millburn made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Kerry Gibson seconded the motion, which passed unanimously.

#### **Action on Litigation Matters**

Johnnie Miller reported that due to an oversight, Impersonation Fraud was not included in the UCIP Coverage Addendum when the coverage was added by National Union Fire, the carrier for the Pool's Crime Coverage. The National Union policy has a \$25,000 deductible and a UCIP maintenance deductible of \$500 for impersonation fraud. Three members were recent victims of an impersonation fraud when the oversight was discovered. The Board discussed the precedence for providing coverage for a loss that was not in the approved Coverage Addendum at the time of loss. Victor Iverson made a motion to provide coverage for these three losses, without setting precedence for other claims not clearly covered by the Coverage Addendum, because the Crime Policy was in place at the time of the loss, and it was an oversight by management not to add the coverage to the Coverage Addendum. Alma Adams seconded the motion, which passed unanimously.

### **Nominating Committee Report**

Bret Millburn reported that several officials have been nominated for the At-Large available position on the 2017 Board of Trustees. Sonya White confirmed that each nominee is willing to serve. The Nominating Committee met today to review those officials nominated (see attachment number nine). The Nominating Committee selected the following individuals to be placed on the ballot for vote by the membership on November 17, 2016: Bruce Adams, San Juan County Commissioner; Jack Lytle, Daggett County Commissioner; and Jeff Scott, Box Elder County Commissioner. Pursuant to the Bylaws, nominations will remain open until 30 days prior to the membership meeting. Therefore, nominations will be accepted and reviewed until October 17. Kerry Gibson made a motion to accept the Nominating Committee's report and nominees to be placed on the ballot unless other nominations are received by October 17. Mike Wilkins seconded the motion, which passed unanimously.

### **Annual Membership Meeting Planning**

Sonya White reviewed the agenda for the Annual Membership Meeting, scheduled for November 17, with the Board (see attachment number ten). Bruce Adams will be unable to attend so Bret Millburn will chair the meeting to be held at the Hilton Garden Inn in conjunction with the Utah Association of Counties Annual Convention in St. George, Utah.

### **Claims Report**

Korby Siggard provided the Board with a loss report that included total claims and amount paid by line of coverage (see attachment number 11). Claims were charted to show the last five years statistics. The majority of member auto claims come from deer accidents. Also, charted for the Board's review was the claim count comparison by first party and third party claims, the claim count comparison for members and terminating members and the total amount paid of claims submitted/paid after members terminated compared to residual claims paid to resolution after members terminated. Because the Interlocal Agreement had been changed to handle claims to resolution, members have paid over \$1,200,000 in claims for counties who terminated their membership. The Interlocal Agreement now reads: *Payment of claims for which coverage was provided under the Bylaws Coverage Addendum in effect prior to termination, but only to the extent of the amount of the case reserve set by UCIP for each claim as of the date of notice of termination, or the initial case reserve established by UCIP for claims reported after the date of notice of termination which are covered under the terms of the Bylaws Coverage Addendum in effect prior to termination.* This chart illustrates the effect during that time frame.

### **Chief Executive Officer's Report**

Johnnie Miller reported on the following items: 1) the UCIP Risk Management Workshop held August 31 – September 1 was informative and well attended; 2) met with a representative of Lexipol but the Pool would need a significant discount to utilize its training and policy content; 3) Johnnie Miller and Adam Trupp, Utah Association of Counties Executive Director, attended the National Council of County Association Executives Insurance Meeting in Atlanta; 4) In a telephonic conference with County Reinsurance Limited it was affirmed that property and liability rates will not increase for the coming year; 5) training was conducted in Wayne County along with a policy review; 6) Tort Cap Study Group is making good headway from the initial no cap to a restructure of the reporting process and adjustment to the inflation calculator; 7) Johnnie Miller and Korby Siggard attended the Utah Prosecution Council in St. George and conducted a Litigation Management Committee meeting; and 8) Johnnie Miller discussed cyber liability on an episode of the County Seat.

### **Other Business**

Sonya White provided the Board with the dates for the Association of Governmental Risk Pools 2017 Governance and Leadership Conference (see attachment number 12). Sonya White requested that Board Members confirm with her by January 4, if possible, if they will be attending the Conference.

The next meeting of the Board of Trustees will be held Thursday, December 15, 2016 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Prepared by:

Sonya White

Sonya White, UCIP Chief Financial Officer

Submitted on this 13 day of October 2016

Karla Johnson

Karla Johnson, Secretary/Treasurer

Approved on this 13 day of October 2016

Bruce Adams

Bruce Adams, President



### UCIP Membership Application Summary

Name of Entity: **Emery County Recreation Special Service District**

Sponsoring County: **Emery County**

Type of Membership Applied for: **Non-Equity, Non-Voting**

Enabling Statutes and Services Provided:

**Organized and operates pursuant to Title 11, Chapter 2 of the Utah Code. The District manages all sports leagues for Emery County, i.e., baseball, basketball, football, softball (adult & youth), volleyball (adult & youth) and wrestling.**

Risk Factors:

Property; **\$1,115,411**

Auto; **2**

Employees; **1**

Liability; **\$273,630**

Loss History: **None**

Additional Notes:

Proposed Liability Limits: **\$3,000,000**

Current Liability Limits: **\$2,000,000**

UCIP Annual Contribution: **\$4,206**

Current Insurance Premium: **\$Unknown**

Staff Recommendation: **Approve District as a non-equity, non-voting member.**



## Utah Counties Indemnity Pool

## Payments

August 19 - October 13, 2016

Type	Date	Num	Name	Memo	Amount
500-000000-10010100 WFMLE					
Total 500-000000-10010100 WFMLE					
500-000000-10010100 ZionsHRA					
Check	08/25/2016	BILLPAY	Johnnie Miller	HRA Qualified Reimbursements	-604.75
Total 500-000000-10010100 ZionsHRA					
500-000000-10010100 ZionsMLC					
Check	08/22/2016			Service Charge	-5.00
Check	09/22/2016			Service Charge	-34.00
Check	08/22/2016	ACH	Sevier County	Claim: SEV0000092016	-2,172.23
Check	08/22/2016	ACH	Mylar Law, PC	Invoice: 20160083	-1,670.94
Check	08/22/2016	ACH	Mylar Law, PC	Invoice: 20160082	-825.28
Check	08/22/2016	ACH	Stirba, P. C.	Invoice: 01017019	-8,892.47
Check	08/22/2016	ACH	Mylar Law, PC	Invoice: 20160080	-5,702.00
Check	08/29/2016	ACH	Mylar Law, PC	Invoice: 20160090	-5,643.65
Check	08/29/2016	ACH	Frontier Adjusters, Inc.	Invoice: T613244	-343.50
Check	08/29/2016	ACH	Duchesne County	Claim: DUC0000072016	-1,345.43
Check	08/29/2016	ACH	Kane County	Claim: KAN0000842016	-5,741.55
Bill Pmt -Check	09/08/2016	ACH	WSRP, LLC	Invoice: 219716	-15,035.00
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287525	-1,850.65
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287522	-1,354.71
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287521	-2,792.10
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287518	-2,050.10
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287403	-92.30
Check	09/12/2016	ACH	Suitter Axland	Invoice: 1287514	-6,390.72
Check	09/12/2016	ACH	Hutton Law Associates, P.C.	Invoice: 00184	-3,475.18
Check	09/12/2016	ACH	Hutton Law Associates, P.C.	Invoice: 00183	-8,483.93
Check	09/12/2016	ACH	Hutton Law Associates, P.C.	Invoice: 00185	-1,541.16
Check	09/12/2016	ACH	Mylar Law, PC	Invoice: 20160093	-15,184.50
Check	09/12/2016	ACH	Mylar Law, PC	Invoice: 20160092	-5,138.16
Check	09/23/2016	ACH	Stirba, P. C.	Invoice: 01017020	-14,033.31
Check	09/23/2016	ACH	Stirba, P. C.	Invoice: 01015008	-665.71
Check	09/23/2016	ACH	Mylar Law, PC	Invoice: 20160103	-5,321.00
Check	09/23/2016	ACH	Mylar Law, PC	Invoice: 20160102	-3,275.50
Check	09/23/2016	ACH	XACT Data Discovery	Invoice: 4611604	-467.14
Check	09/23/2016	ACH	Weber Human Services	Claim: WHS0000142016	-1,374.47
Check	09/23/2016	ACH	XACT Data Discovery	Invoice: 4612218	-440.42
Check	09/23/2016	ACH	XACT Data Discovery	Invoice: 4612426	-440.42
Check	10/04/2016	ACH	Mylar Law, PC	Invoice: 20160108	-6,262.00
Check	10/04/2016	ACH	Mylar Law, PC	Invoice: 20160107	-2,258.00
Check	10/04/2016	ACH	Mylar Law, PC	Invoice: 20160106	-5,001.00
Check	10/04/2016	ACH	Weber Human Services	Claim: WHS00000152016	-466.50
Check	10/04/2016	ACH	Kane County	Claim: KAN0000042016	-6,582.00
Check	10/04/2016	ACH	Duchesne County	Claim: DUC0000082016	-5,988.21
Check	10/11/2016	ACH	Frontier Adjusters, Inc.	Invoice: T622683	-498.20
Check	10/11/2016	ACH	Hutton Law Associates, P.C.	Invoice: 00195	-7,005.50
Check	10/11/2016	ACH	Hutton Law Associates, P.C.	Invoice: 00192	-4,615.18
Check	10/11/2016	ACH	Mylar Law, PC	Invoice: 20160111	-3,346.00
Check	10/11/2016	ACH	Mylar Law, PC	Invoice: 20160112	-5,140.66
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287603	-2,253.95
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287602	-2,346.15
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287411	-111.50
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287601	-2,612.14
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287599	-8,213.35
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287598	-4,729.72
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287597	-905.00
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287594	-77.50
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287591	-337.70
Check	10/11/2016	ACH	Suitter Axland	Invoice: 1287590	-11,490.13
Check	08/25/2016	BILLPAY	Arrowfish LLC	Invoice: 1	-4,000.00
Check	08/25/2016	BILLPAY	Dax Nelson	Claim: WEB0000232016	-976.01
Check	08/31/2016	BILLPAY	Allstate Payment Center	Invoice: 0413366642MRT	-1,103.48
Check	08/31/2016	BILLPAY	Alpine Body Shop	Invoice: M1051416	-1,739.15
Check	08/31/2016	BILLPAY	Terry Winn	Claim: SEV0000082016	-2,000.00
Check	08/31/2016	BILLPAY	Arlin Hughes	Claim: WAS0000092016	-1,000.00
Check	09/13/2016	BILLPAY	Nicole Wiggins	Claim: WEB0000523016	-240.00
Check	09/13/2016	BILLPAY	Interinsurance Exchange of the Auto...	VOID: Claim: DAV0000202016	0.00
Check	09/13/2016	BILLPAY	Collision Forensics & Engineering, Inc.	Invoice: 13025	-2,562.50
Check	09/13/2016	BILLPAY	San Juan County	Claim: SAJ0001122016	-7,047.22
Check	09/13/2016	BILLPAY	State Farm Mutual Automobile Insura...	VOID: Claim: UIN0000062016	0.00
Check	09/13/2016	BILLPAY	Christensen & Jensen	Invoice: 85938	-2,254.62
Check	09/13/2016	BILLPAY	Christensen & Jensen	Invoice: 85937	-3,903.47
Check	09/21/2016	BILLPAY	Don's Professional Collision Repair	Invoice: 5788	-149.79
Check	09/21/2016	BILLPAY	Kirk Black	Claim: SAJ0000122016	-1,372.00
Check	09/21/2016	BILLPAY	San Juan County	Claim: SAJ0000132016	-1,971.41
Check	09/21/2016	BILLPAY	Emery County	Claim: EME0000052016	-12,766.23
Check	09/21/2016	BILLPAY	David Pope	Claim: SEV0000072016	-435.00
Check	09/21/2016	BILLPAY	Carmen Trejo	Claim: WEB00005172016	-1,500.00
Check	09/21/2016	BILLPAY	Corbett & Gwilliam, PLLC	Claim: BEA0000612015	-5,000.00
Check	09/27/2016	BILLPAY	Christensen & Jensen	Invoice: 86165	-8,288.81
Check	09/27/2016	BILLPAY	Christensen & Jensen	Invoice: 86167	-2,007.70
Check	09/27/2016	BILLPAY	Christensen & Jensen	Invoice: 86166	-3,789.87

# Utah Counties Indemnity Pool Payments

August 19 - October 13, 2016

Type	Date	Num	Name	Memo	Amount
Check	09/27/2016	BILLPAY	Christensen & Jensen	Invoice: 86164	-11,177.04
Check	09/27/2016	BILLPAY	Randy's Auto Body	Invoice: 7473	-772.38
Check	09/27/2016	BILLPAY	Michael Lefevre	Claim: KAN0000032016	-3,668.82
Check	09/27/2016	BILLPAY	Denise Olson	Claim: SAN0000912016	-470.26
Check	09/27/2016	BILLPAY	Emery County	Claim: EME0000522016	-545.70
Check	10/05/2016	BILLPAY	San Juan County	Claim: SAJ0000142016	-2,783.31
Check	10/05/2016	BILLPAY	Interinsurance Exchange of the Auto...	Claim: DAV0000202016	-8,982.60
Check	10/05/2016	BILLPAY	State Farm	Claim: UIN0000062016	-4,420.02
Check	10/13/2016	BILLPAY	Dayne and Linda Williams	Claim: VHS0000132016	-1,053.44
Check	10/13/2016	BILLPAY	Francis J Carney	Claim: SAJ0001192014	-900.00
Total 500-000000-10010100 ZionsMLC					-300,903.75
<b>500-000000-10010100 ZionsMLE</b>					
Liability Check	08/30/2016		QuickBooks Payroll Service	Created by Payroll Service on 08/25/2016	-10,625.71
Liability Check	09/14/2016		QuickBooks Payroll Service	Created by Payroll Service on 09/08/2016	-10,866.92
Check	08/31/2016			Service Charge	-117.01
Liability Check	09/29/2016		QuickBooks Payroll Service	Created by Payroll Service on 09/22/2016	-10,866.91
Check	09/30/2016			Service Charge	-114.19
Liability Check	10/13/2016		QuickBooks Payroll Service	Created by Payroll Service on 10/11/2016	-10,712.42
Check	08/22/2016	ACH	Alma Adams	Expense Reimbursement	-193.70
Check	08/22/2016	ACH	Victor Iverson	Expense Reimbursement	-318.60
Check	08/22/2016	ACH	Karla Johnson	Expense Reimbursement	-276.03
Check	08/22/2016	ACH	James Kaiserman	Expense Reimbursement	-51.84
Check	08/29/2016	ACH	PEHP-LTD	Invoice: AUG2016	-182.29
Liability Check	08/29/2016	ACH	Public Employees Health Program	Invoice: 0121867576	-5,603.12
Bill Pmt -Check	08/29/2016	ACH	Utah Safety Council	Invoice: 9242	-30.00
Bill Pmt -Check	08/29/2016	ACH	Whitney Advertising & Design, Inc.	Invoice: 22806	-55.00
Check	09/08/2016	ACH	Korby Siggard	Expense Reimbursement	-203.74
Bill Pmt -Check	09/08/2016	ACH	Gallagher Bassett Services, Inc.	Invoice: 15079	-120.00
Bill Pmt -Check	09/08/2016	ACH	Les Olson Company	Invoice: EA669571	-56.15
Bill Pmt -Check	09/08/2016	ACH	Whitney Advertising & Design, Inc.	Invoice: 22883	-57.00
Liability Check	09/23/2016	ACH	Public Employees Health Program	Invoice: 0121892183	-5,624.16
Bill Pmt -Check	09/23/2016	ACH	Revco Leasing Company, LLC	Invoice: 436590	-463.92
Bill Pmt -Check	09/23/2016	ACH	Whitney Advertising & Design, Inc.	Invoice: 22923	-846.25
Check	09/23/2016	ACH	PEHP-LTD	Period: SEP2016	-181.25
Bill Pmt -Check	09/29/2016	ACH	Whitney Advertising & Design, Inc.	Invoice: 22958	-2,188.00
Bill Pmt -Check	10/11/2016	ACH	Arthur J. Gallagher & Co.	Invoice: GL0038807	-3,177.55
Bill Pmt -Check	10/11/2016	ACH	End Point Corporation	Invoice: UCI1603	-60.00
Bill Pmt -Check	10/11/2016	ACH	Gallagher Bassett Services, Inc.	Invoice: 15087	-192.00
Bill Pmt -Check	10/11/2016	ACH	Les Olson Company	Invoice: EA672619	-304.51
Bill Pmt -Check	10/13/2016	ACH	Les Olson Company	Invoice: EA677090	-40.66
Bill Pmt -Check	10/13/2016	ACH	Revco Leasing Company, LLC	Invoice: 440403	-435.91
Bill Pmt -Check	08/22/2016	BILLPAY	Office Depot	Invoice: 854561953001	-86.97
Bill Pmt -Check	08/22/2016	BILLPAY	Office Depot	Invoice: 854562555001	-65.22
Bill Pmt -Check	08/22/2016	BILLPAY	Office Depot	Invoice: 854562556001	-85.82
Bill Pmt -Check	08/22/2016	BILLPAY	Office Depot	Invoice: 854562557001	-54.84
Check	08/22/2016	BILLPAY	Sonya White	Expense Reimbursement	-650.47
Check	08/25/2016	BILLPAY	Bruce Adams	Expense Reimbursement	-324.00
Check	08/25/2016	BILLPAY	Bret Millburn	Expense Reimbursement	-27.00
Check	08/25/2016	BILLPAY	Mike Wilkins	Expense Reimbursement	-187.92
Check	08/31/2016	BILLPAY	Johnnie Miller	Expense Reimbursement	-533.88
Check	09/13/2016	BILLPAY	Marty Stevens	Expense Reimbursement	-106.00
Check	09/13/2016	BILLPAY	Sonya White	Expense Reimbursement	-106.00
Bill Pmt -Check	09/13/2016	BILLPAY	Best Western Ruby's Inn	Invoice: 5569182	-2,941.84
Bill Pmt -Check	09/13/2016	BILLPAY	Christensen & Jensen	Invoice: 84106	-2,062.69
Bill Pmt -Check	09/13/2016	BILLPAY	Jeremiah Riley	Expense Reimbursement	-307.80
Bill Pmt -Check	09/27/2016	BILLPAY	Office Depot	35538769	-165.30
Check	10/03/2016	BILLPAY	Johnnie Miller	Expense Reimbursement	-891.80
Bill Pmt -Check	08/19/2016	ONLINE	Bankcard Center	Confirmation Number: 16081747430896	-55.00
Liability Check	08/29/2016	ONLINE	Utah Retirement Systems	Confirmation: 082622403458	-7,153.98
Liability Check	08/29/2016	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270664253557423	-3,995.82
Liability Check	08/29/2016	ONLINE	Utah State Tax Commission	Confirmation: 1-282-686-208	-1,316.49
Liability Check	08/29/2016	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,262.06
Bill Pmt -Check	09/08/2016	ONLINE	American Express	3-41009	-1,621.22
Liability Check	09/12/2016	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270665694661726	-3,190.34
Bill Pmt -Check	09/26/2016	ONLINE	Bankcard Center	Confirmation: 16091852534292	-326.42
Liability Check	09/26/2016	ONLINE	Utah State Tax Commission	Confirmation: 0-291-929-344	-1,239.66
Liability Check	09/26/2016	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 2706670148134...	-3,190.36
Liability Check	09/26/2016	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,262.06
Liability Check	09/26/2016	ONLINE	Utah Retirement Systems	Confirmation: 092341502286	-7,125.21
Bill Pmt -Check	10/07/2016	ONLINE	American Express	3-41009	-2,875.72
Bill Pmt -Check	10/13/2016	ONLINE	State of UT Dept of Workforce Servic...	Account No: R 2-423713-0	-2,934.00
Total 500-000000-10010100 ZionsMLE					-112,110.73
<b>TOTAL</b>					<b>-413,619.23</b>



# Utah Counties Indemnity Pool

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## *FINANCIAL STATEMENTS*

Quarter Ending September 30, 2016

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# Utah Counties Indemnity Pool

## Third Quarter 2016 Financial Statements

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of September 30, 2016 to the basic financial statements.

Sonya White

Chief Financial Officer

801-307-2113

[sonya@ucip.utah.gov](mailto:sonya@ucip.utah.gov)

Reviewed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

By: \_\_\_\_\_

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENT of NET POSITION**  
**Quarter Ended September 30, 2016**

	<u>Sep 30, 2016</u>	<u>Dec 31, 2015</u>	<u>Sep 30, 2015</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 9,155,807	\$ 9,829,568	\$ 7,895,980
Short-term investments	296,161	150,170	149,574
Accounts receivable	103	2,887	52,285
Net pension asset	118	118	118
Prepaid expenses	609,750	238,475	629,664
TOTAL CURRENT ASSETS	<u>10,061,940</u>	<u>10,221,218</u>	<u>8,727,621</u>
<b>INVESTMENTS</b>	3,311,341	3,502,225	3,819,078
<b>PROPERTY AND EQUIPMENT</b>	538,798	541,728	5,950
<b>SECURITY DEPOSIT</b>	-	10,788	11,336
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>75,814</u>	<u>75,814</u>	<u>46,275</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 13,987,893</u></u>	<u><u>\$ 14,351,773</u></u>	<u><u>\$ 12,610,260</u></u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Reserves for losses and loss adjustment expenses	\$ 8,568,454	\$ 8,185,675	\$ 8,771,838
Accounts payable	(2,188)	1,918	-
Accrued expenses	79,865	70,388	71,679
Contributions paid in advance	1,459,765	2,719,398	1,328,479
TOTAL CURRENT LIABILITIES	<u>10,105,896</u>	<u>10,977,379</u>	<u>10,171,996</u>
<b>NONCURRENT LIABILITIES</b>			
Net pension liability	179,248	179,248	179,248
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	22,952	22,952	22,952
<b>NET POSITION</b>			
Net investment in capital assets	538,798	541,728	5,950
Unrestricted	3,140,999	2,630,466	2,230,113
TOTAL NET POSITION	<u>3,679,798</u>	<u>3,172,194</u>	<u>2,236,063</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 13,987,893</u></u>	<u><u>\$ 14,351,773</u></u>	<u><u>\$ 12,610,260</u></u>

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION**  
**Quarter Ended September 30, 2016**

	<u>Sep 30, 2016</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 4,369,468	5,823,876	(1,454,408)	75%
Investment income	85,224	50,000	35,224	170%
Other income	6,887	5,000	1,887	138%
TOTAL OPERATING INCOME	<u>4,461,579</u>	<u>5,878,876</u>	<u>(1,417,297)</u>	<u>76%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	2,117,561	3,200,000	(1,082,439)	66%
Reinsurance coverage	1,191,047	1,600,000	(408,954)	74%
TOTAL UNDERWRITING EXPENSES	<u>3,308,607</u>	<u>4,800,000</u>	<u>(1,491,393)</u>	<u>69%</u>
ADMINISTRATION EXPENSES				
Trustees	39,712	45,000	(5,288)	88%
Depreciation	2,930	13,000	(10,070)	23%
Risk management	29,688	55,000	(25,312)	54%
Public relations	5,520	10,000	(4,480)	55%
Office	38,250	125,000	(86,750)	31%
Financial	74,647	125,000	(50,353)	60%
Personnel	464,148	675,000	(210,852)	69%
TOTAL ADMINISTRATION EXPENSES	<u>654,896</u>	<u>1,048,000</u>	<u>(393,104)</u>	<u>62%</u>
TOTAL OPERATING EXPENSES	<u>3,963,503</u>			
NET OPERATING INCOME	<u>498,076</u>			
OTHER INCOME EXPENSES				
Unrealized loss on marketable securities	9,527			
TOTAL OTHER EXPENSES	<u>9,527</u>			
CHANGE IN NET POSITION	507,604			
NET POSITION AT BEGINNING OF YEAR	<u>3,172,194</u>			
NET POSITION AT END OF QUARTER	<u>\$ 3,679,798</u>			

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENTS of CASH FLOWS**  
**Quarter Ended September 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions collected	\$ 3,112,619	\$ 6,466,076
Other fees collected	6,887	27,313
Reinsurance paid	(1,562,322)	39,291
Losses and loss expenses paid	(1,734,782)	(2,588,057)
Cash paid to employees	(454,671)	(613,287)
Other administrative expenses paid	(181,135)	(367,762)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(813,404)</u>	<u>2,963,574</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	-	(12,487)
Cash from sale of capital assets	-	8,010
<b>CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>-</u>	<u>(4,477)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(805,108)	(2,690,957)
Sale of investments	850,000	2,856,620
Investment income	94,751	67,901
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>139,643</u>	<u>233,565</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(673,761)	3,192,662
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>9,829,568</u>	<u>6,636,905</u>
<b>CASH AND CASH EQUIVALENTS AT END OF QUARTER</b>	<u><u>\$ 9,155,807</u></u>	<u><u>\$ 9,829,568</u></u>
<b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH</b>		
<b>FLOW FROM OPERATING ACTIVITIES</b>		
Change in net position	\$ 507,604	\$ 826,325
<b>Adjustments to reconcile change in net position to net cash flows used by operating activities</b>		
Depreciation	2,930	13,188
Interest on investments	(85,224)	(72,711)
Increase in equity in CRL	-	(126,875)
Net outflows of resources relating to pension	-	(30,031)
Unrealized loss on investments	(9,527)	4,810
Gain on sale of capital assets	-	(7,581)
Accounts receivable	2,784	303
Member receivable	(371,275)	1,649,895
Prepaid expenses	-	(15,064)
Security deposits	10,788	548
Reserves for loss and loss adjustment expenses	382,779	(586,163)
Accounts payable	(4,106)	(564)
Accrued expenses	9,477	(7,895)
Contributions paid in advance	(1,259,633)	1,315,389
<b>Total adjustments</b>	<u>(1,321,008)</u>	<u>2,137,249</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><u>\$ (813,404)</u></u>	<u><u>\$ 2,963,574</u></u>



# UTAH COUNTIES INDEMNITY POOL BUDGET

	Audit 2015	Approved 2016	Projected 2017	Tentative 2017
<b>Revenue</b>				
Contributions	\$ 5,150,384	\$ 5,823,876	\$ 6,000,000	\$ 6,115,000
Investments	194,776	50,000	78,000	100,000
Other	34,894	5,000	5,000	7,000
<b>Total Income</b>	<b>5,380,054</b>	<b>5,878,876</b>	<b>6,083,000</b>	<b>6,222,000</b>
<b>Underwriting Expense</b>				
Losses and Loss Adjustments	2,001,894	3,200,000	3,500,000	3,200,000
Reinsurance	1,595,540	1,600,000	1,627,451	1,648,000
<b>Total Underwriting Expenses</b>	<b>3,597,434</b>	<b>4,800,000</b>	<b>5,127,451</b>	<b>4,848,000</b>
<b>Administrative Expense</b>				
Trustees	41,796	45,000	45,000	55,000
Depreciation	13,188	13,000	6,000	4,000
Risk Management	51,542	55,000	55,000	55,000
Public Relations	15,106	10,000	10,000	15,000
Office	188,001	125,000	85,000	95,000
Financial	71,301	125,000	75,000	85,000
Personnel	575,361	675,000	675,000	675,000
<b>Total Administrative Expenses</b>	<b>956,295</b>	<b>1,048,000</b>	<b>951,000</b>	<b>984,000</b>
<b>Total Operating Expense</b>	<b>4,553,729</b>	<b>5,848,000</b>	<b>6,078,451</b>	<b>5,832,000</b>
<b>Change in Net Position</b>	<b>\$ 826,325</b>	<b>\$ 30,876</b>	<b>\$ 4,549</b>	<b>\$ 390,000</b>

## UNIFORM CHART of ACCOUNTS

### REVENUE

#### Contributions

#### Investments

#### Other

- Conferences
- Pass Through Premiums
  - Airport Liability
  - Bonds
  - Cyber
  - TULIP
  - WC Joint Purchase
  - WC Payroll Audit
- Dividends

### UNDERWRITING

#### Losses

- Paid
- Nonemployee (7)
- Medical (6)
- Proceeds (14)

#### Reinsurance

- Crime
- Cyber
- Liability
- Property

### ADMINISTRATIVE

#### Trustees

- Travel Training

#### Depreciation

#### Risk Management

- Group Homes Hotline
- Land Use Hotline
- Dues Memberships
- Education
- Training
- Travel

#### Public Relations

- Advertising

#### Office

- Information Technology
- Grounds Care
- Coverage
  - Property/Liability
- Printing
- Postage
- Bank Charges
- Telecommunication
- Supplies
- Repairs & Maintenance

#### Financial

- Actuary
  - Equity
  - Loss Ratio
  - Rate
  - Reserve
- Appraisals
- Audit
- Legal

#### Personnel

- Salaries
  - Payroll Liabilities
- Group Insurance
  - Dental
  - HRA
  - Life
  - LTD
  - Medical
  - Vision
- Retirement
- Licensing
- Workers' Compensation
- Travel Education

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## EDUCATION

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**EVENT DETAILS**

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## 2017 GOVERNANCE & LEADERSHIP CONFERENCE

[Export to Outlook](#)

Sunday, March 05, 2017 - Wednesday, March 08, 2017

All Day Event

**Omni Hotel & Resorts**  
1500 Masters Blvd  
Champions Gate, FL 33896

Please confirm with Sonya White, prior to January 4, if you will be attending the Conference.





## **DIVIDEND POLICY**

### **PURPOSE**

Manage Net Asset levels to assure adequate assets to protect UCIP while not exceeding statutory limitations on Net Assets.

### **GOAL**

Manage Net Asset levels between 90% and 100% of annual revenue.

### **PROCEDURE**

If Net Assets exceed 90% of annual revenue, the Board may issue dividends. If Net Assets exceed 100% of annual revenue, the Board shall issue dividends. Dividends may be issued as Experience Dividends and/or Equity Dividends.

**Experience Dividend** – If Net Assets exceed 90% of annual revenue, the Board may issue an Experience Dividend. Members with loss ratios significantly below the average member loss ratio would be eligible for an Experience Dividend. Average member loss ratio would be calculated on the year in which the dividend is issued and on a multi-year basis, at the Board's discretion.

**Equity Dividend** – If after an Experience Dividend is provided, Net Assets remain in excess of 90%, the Board may issue an Equity Dividend to the membership. If after the Experience Dividend is provided, Net Assets remain in excess of 100%, the Board shall issue an Equity Dividend to the membership. For purposes of the Equity Dividend, equity will be calculated in accordance with the equity calculation in the Interlocal Agreement.

### **REQUIREMENTS**

To receive an Experience Dividend a member must:

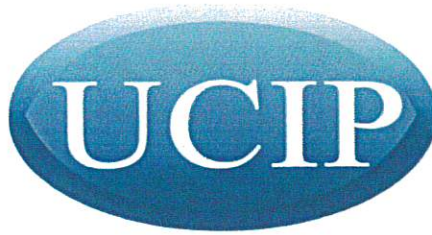
- Be continuing membership in the Pool for the prospective year; and
- Maintain a loss ratio significantly below the average member loss ratio; and
- Comply with specified Best Practices Program requirements as determined by the Board.

To receive an Equity Dividend a member must:

- Be continuing membership in the Pool for the prospective year; and
- Have an individual equity to annual contribution ratio of at least 90%.

### **LIMITATIONS ON DIVIDENDS**

The total of Experience and Equity Dividends shall not deplete the Pool's total Net Assets below 90% of annual revenue.



## NET ASSET MANAGEMENT POLICY

### **PURPOSE**

Manage Net Asset levels to assure adequate assets to protect UCIP without holding excessive Net Assets.

### **GOAL**

Manage Net Asset levels between 90% and 100% of annual revenue. Net Assets should be controlled within a minimum of 50% and a maximum of 120% of annual revenue.

### **PROCEDURE**

The Board may use the Claim Reserve Deterioration Fund, the Rate Stabilization Fund, and the Dividend Plan to manage Net Assets.

The **Claim Reserve Deterioration Fund** may be used to assure designated reserves are adequate to pay all claims assumed. This fund will be shown separately on the financial statements from the claim reserves, and will show the difference, if any, between the “expected” loss reserves identified by the actuary and the amount of reserves the Board approves to dedicate. The “expected” level provides a 60% confidence level that the reserves are adequate to pay all claims assumed. The Board should consider approving reserves in the 80% to 90% confidence level when pool performance allows.

The **Rate Stabilization Fund** may be utilized to designate surplus to cover temporary or unexpected expenses, particularly reinsurance expense, to avoid temporary rate fluctuation. As reinsurance expenses can only be estimated at the time pool rates are developed, the primary use of this fund will be to cover costs of estimates that were low when rates were developed, as this would only affect the rates for that year. Additional amounts may be set aside to account for unexpected increases in reinsurance costs or other expenses, to allow for gradual rate change over multiple years.

The **Dividend Plan** should be used to return excess Net Assets to members in the manner described in the Dividend Policy.

Surplus should not exceed 100% of contributions unless the board has specific needs for such surplus which may include the following:

- Expectation of new membership;
- Development of a new line of coverage;
- Development of new or expanded coverage; or
- Development of new or expanded services.

## Utah Counties Indemnity Pool

### Board Policy Review Schedule

The purpose of this Policy Review Schedule is to assure that the Board reviews each of its major policies on an annual basis, but to segregate that work in a way to keep the workload at each Board meeting manageable.

February	Investment Policy
April	Procurement Policy
June	Interlocal/Bylaws/Coverage Addendum
August	Reimbursement Policy
October	Net Asset Management Policy/Dividend Policy
December	Personnel Manual



## **PART VI CRIME COVERAGE SECTION**

### **A. Joint Government Crime Policy**

In accordance with the UCIP Interlocal Agreement, the Pool jointly purchases on behalf of the Members a Government Crime Policy, listing each of the individual Members as Additional Insured. The jointly purchased Government Crime Policy is attached to this Addendum as Appendix I.

### **B. Coverage Description**

The POOL will indemnify the MEMBER for loss covered by the joint Government Crime Policy to the Limit of Coverage shown in this Coverage Part. Any loss not covered by the Government Crime Policy for any reason other than the loss did not exceed the deductible of the Government Crime Policy is considered an excluded claim under this Coverage Part.

### **C. Limit of Coverage**

The most the POOL will pay as the result of any one loss is limited to the amount described as the Deductible Amount in the joint Government Crime Policy, less the amount of the MEMBER's maintenance deductible.

### **D. Member Maintenance Deductible**

The Member Maintenance Deductible for this Coverage Part is \$500.00 per occurrence as defined by the joint Government Crime Policy.

### **E. Claims**

Members shall report any claim to the Pool in accordance with the Claims provision of Part II General Coverage Conditions of this Addendum. The Pool will assist Members with the reporting and adjusting of claims under the joint Governmental Crime Policy.

### **F. Recoveries**

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Part will be distributed as follows:

- a. To the MEMBER, until the MEMBER is reimbursed for any loss that it sustains that exceeds the Limit of Coverage provided by the joint Government Crime Policy;

- b. Then to the issuer of the joint Government Crime Policy, until the issuer is reimbursed in accordance with the Recoveries condition of the joint Government Crime Policy;
- c. Then to the POOL, until the POOL is reimbursed for the amount paid to the Member under this Coverage Part for the loss; and
- d. Then to the MEMBER, until the MEMBER is reimbursed for that part of the loss equal to the Member Maintenance Deductible amount, if any.
- e. Recoveries do not include any recovery:
  - (i) From insurance, suretyship, reinsurance, security, or indemnity taken for the POOL's benefit; or
  - (ii) Of original SECURITIES after duplicates of them have been issued.

**GOVERNMENT CRIME  
POLICY DECLARATIONS**

**CRIME AND FIDELITY**  
CR DS 04 08 07  
POLICY NUMBER:  
*02-588-60-26*  
REPLACEMENT OF  
POLICY NUMBER:  
*01-956-32-92*

In Return For The Payment Of The Premium, And Subject To All The Terms And Conditions Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy.

**Coverage Is Written:**

☒ Primary      ☐ Excess      ☐ Coindemnity      ☐ Concurrent

<b>Company Name Area:</b> <i>National Union Fire Insurance Company of Pittsburgh, Pa.</i>	
<b>Producer Name Area:</b> <i>ARTHUR J GALLAGHER RISK MNGT SERV INC 8800 EAST CHAPARRAL ROAD, SUIT SCOTTSDALE, AZ 85250</i>	
<b>Named Insured:</b> <i>UTAH COUNTIES INDEMNITY POOL</i>	
(including any Employee Welfare or Benefit Plans)	
<b>Mailing Address:</b> <i>5397 S VINE STREET MURRAY, UT 84087-6757</i>	
<b>Policy Period</b>	
<b>From:</b>	<i>January 1, 2016</i>
<b>To:</b>	<i>January 1, 2017</i> 12:01 A.M. at your mailing address shown above.

Insurance Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft - Per Loss Coverage	\$2,500,000	\$250,000
2. Employee Theft - Per Employee Coverage	Not Covered	
3. Forgery Or Alteration	\$2,500,000	\$250,000
4. Inside The Premises - Theft Of Money And Securities	\$2,500,000	\$250,000
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property	\$2,500,000	\$250,000
6. Outside The Premises	\$2,500,000	\$250,000
7. Computer Fraud	\$2,500,000	\$250,000
8. Funds Transfer Fraud	\$2,500,000	\$250,000
9. Money Orders And Counterfeit Money	\$2,500,000	\$250,000
If "Not Covered" is inserted above opposite any Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.		

1401096

GOVERNMENT CRIME  
POLICY DECLARATIONS

CRIME AND FIDELITY  
CR DS 04 08 07  
POLICY NUMBER:  
02-588-60-26  
REPLACEMENT OF  
POLICY NUMBER:  
01-956-32-92

Endorsements Forming Part Of This Policy When Issued:  
#1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15

Cancellation Of Prior Insurance Issued By Us:

By acceptance of this Policy you give us notice cancelling prior policy Nos. 019563292; the cancellation to be effective at the time this Policy becomes effective.

Premium: \$25,661

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:

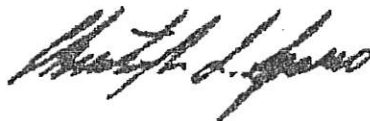
IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



PRESIDENT



SECRETARY



AUTHORIZED REPRESENTATIVE

1401096

**GOVERNMENT CRIME POLICY  
(DISCOVERY FORM)**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

**A. Insuring Agreements**

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place at any time which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.i.:

**1. Employee Theft - Per Loss Coverage**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

**2. Employee Theft - Per Employee Coverage**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by each "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

**3. Forgery Or Alteration**

- a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written

promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in Paragraph 3.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

**4. Inside The Premises - Theft Of Money And Securities**

- a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

- c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted

"theft" of or unlawful entry into those containers.

**5. Inside The Premises - Robbery Or Safe Burglary Of Other Property**

- a. We will pay for loss of or damage to "other property":
  - (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
  - (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

**6. Outside The Premises**

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

**7. Computer Fraud**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

**8. Funds Transfer Fraud**

We will pay for loss of "funds" resulting directly from a "fraudulent

instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

**9. Money Orders And Counterfeit Money**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

**B. Limit Of Insurance**

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

**C. Deductible**

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

**D. Exclusions**

- 1. This policy does not cover:

- a. **Acts Committed By You**

- Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

- b. **Acts Of Employees Learned Of By You Prior To The Policy Period**

- Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your officials, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

**c. Acts Of Officials, Employees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1. or A.2.

**d. Confidential Information**

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

**e. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**f. Indirect Loss**

Loss that is an indirect result of an "occurrence" covered by this policy including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

**g. Legal Fees, Costs And Ex-**

**penses**

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.3.

**h. Nuclear Hazard**

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**i. Pollution**

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**j. War And Military Action**

Loss or damage resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**2. Insuring Agreements A.1. and A.2. do not cover:**

**a. Bonded Employees**

Loss caused by any "employee" required by law to be individually bonded.

**b. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish

wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

**c. Trading**

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

**d. Treasurers Or Tax Collectors**

Loss caused by any treasurer or tax collector by whatever name known.

**3. Insuring Agreements A.4., A.5. and A.6. do not cover:**

**a. Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

**b. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**c. Fire**

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

**d. Money Operated Devices**

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**e. Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

**f. Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
  - (a) On the basis of unauthorized instructions;
  - (b) As a result of a threat to

do bodily harm to any person;

- (c) As a result of a threat to do damage to any property;

- (d) As a result of a threat to introduce a denial of service attack into your computer system;

- (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;

- (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or

- (g) As a result of a threat to disseminate, divulge or utilize:

- (i) Your confidential information; or

- (ii) Weaknesses in the source code within your computer system.

- (2) But, this Exclusion does not apply under Insuring Agreement A.6. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or

- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

**h. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express

- or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
4. Insuring Agreement A.7. does not cover:

**a. Credit Card Transactions**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

**b. Funds Transfer Fraud**

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

**c. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement A.8. does not cover:

**COMPUTER FRAUD**

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

**E. Conditions**

**1. Conditions Applicable To All Insuring Agreements**

**a. Additional Premises Or Employees**

If, while this policy is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this policy. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

**b. Cancellation Of Policy**

- (1) The first Named Insured shown in the Declarations may cancel this policy by

mailing or delivering to us advance written notice of cancellation.

- (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

- (b) 30 days before the effective date of cancellation if we cancel for any other reason.

- (3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

- (4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

- (5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

- (6) If notice is mailed, proof of mailing will be sufficient proof of notice.

**c. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**d. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This policy;
  - (2) The property covered under this policy;
  - (3) Your interest in the property covered under this policy; or
  - (4) A claim under this policy.
- e. **Cooperation**
- You must cooperate with us in all matters pertaining to this policy as stated in its terms and conditions.
- f. **Duties In The Event Of Loss**
- After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:
- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1., A.2. or A.3.) involves a violation of law, you must also notify the local law enforcement authorities.
  - (2) Submit to examination under oath at our request and give us a signed statement of your answers.
  - (3) Produce for our examination all pertinent records.
  - (4) Give us a detailed, sworn proof of loss within 120 days.
  - (5) Cooperate with us in the investigation and settlement of any claim.
- g. **Employee Benefit Plans**
- (1) The employee benefit plans shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement A.1. or A.2.
  - (2) Any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
  - (3) The Deductible Amount applicable to Insuring Agreement A.1. or A.2. does not apply to loss sustained by any Plan.
- h. **Examination Of Your Books And Records**
- We may examine and audit your

books and records as they relate to this policy at any time during the Policy Period shown in the Declarations and up to 3 years afterward.

i. **Extended Period To Discover Loss**

We will pay for loss that you sustained prior to the effective date of cancellation of this policy, which is "discovered" by you no later than 60 days from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

j. **Inspections And Surveys**

(1) We have the right to:

- (a) Make inspections and surveys at any time;
- (b) Give you reports on the conditions we find; and
- (c) Recommend changes.

(2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (a) Are safe or healthful; or
- (b) Comply with laws, regulations, codes or standards.

(3) Paragraphs j.(1) and j.(2) apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

k. **Joint Insured**

(1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

(2) If any Insured or official of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every Insured.

(3) An "employee" of any Insured is considered to be an "employee" of every Insured.

(4) If this policy or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than 60 days from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

(6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an employee benefit plan, shall fully release us on account of such loss.

#### **I. Legal Action Against Us**

You may not bring any legal action against us involving loss:

(1) Unless you have complied with all the terms of this policy;

(2) Until 90 days after you have

filed proof of loss with us; and

(3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

#### **m. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this policy.

#### **n. Other Insurance**

If other valid and collectible insurance is available to you for loss covered under this policy, our obligations are limited as follows:

##### **(1) Primary Insurance**

When this policy is written as primary insurance, and:

(a) You have other insurance subject to the same terms and conditions as this policy, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:

(i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is sub-

ject to the terms and conditions of this policy.

**(2) Excess Insurance**

(a) When this policy is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this policy.

(b) However, if loss covered under this policy is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

**o. Ownership Of Property; Interests Covered**

The property covered under this policy is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

**p. Policy Bridge - Discovery Replacing Loss Sustained**

(1) If this policy replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate at the time this policy became effective:

- (a) We will not pay for any loss that occurred during the Policy Period of that prior insurance which is "discovered" by you during the extended period to "discover" loss, unless the amount of loss exceeds the Limit of In-

surance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this policy.

(b) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

(2) The Other Insurance Condition E.1.n. does not apply to this Condition.

**q. Premiums**

The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

**r. Records**

You must keep records of all property covered under this policy so we can verify the amount of any loss.

**s. Recoveries**

(1) Any recoveries, whether effected before or after any payment under this policy, whether made by us or you, shall be applied net of the expense of such recovery:

- (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this policy;
- (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
- (c) Third, to you in satisfaction of any Deductible Amount; and
- (d) Fourth, to you in satisfaction of any loss not covered under this policy.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

**t. Territory**

This policy covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions) and Puerto Rico.

**u. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent.

**v. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**w. Valuation - Settlement**

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value.

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond

required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the "securities".

(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

(ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

(iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs w.(1)(c)(i) through w.(1)(c)(iii), we will not pay on a replacement cost basis for any loss or damage:

i. Until the lost or damaged property is actually repaired or replaced; and

ii. Unless the repairs or replacement are made as soon

as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) Any property that we pay for or replace becomes our property.

**2. Conditions Applicable To Insuring Agreements A.1. And A.2.**

**a. Indemnification**

We will indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss through "theft" committed by "employees" who serve under them, subject to the applicable Limit of Insurance.

**b. Termination As To Any Employee**

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:

(a) You; or

(b) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**c. Territory**

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition E.1.t. for a period of not more

than 90 consecutive days.

**3. Conditions Applicable To Insuring Agreement A.3.**

**a. Deductible Amount**

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.3.

**b. Electronic And Mechanical Signatures**

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

**c. Proof Of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**d. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.t. does not apply to Insuring Agreement A.3.

**4. Conditions Applicable To Insuring Agreements A.5. And A.6.**

**a. Armored Motor Vehicle Companies**

Under Insuring Agreement A.6., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**b. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**5. Conditions Applicable To Insuring Agreement A.7.**

**a. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**b. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.t. does not apply to Insuring Agreement A.7.

**F. Definitions**

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.  
"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
5. "Employee":
  - a. "Employee" means:
    - (1) Any natural person:
      - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other

dishonest act committed by the "employee";

- (b) Who you compensate directly by salary, wages or commissions; and
    - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
  - (a) To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or
  - (b) To meet seasonal or short-term workload conditions;  
while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);
- (4) Any natural person who is:
  - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and
  - (b) An official of yours while that person is engaged in handling "funds" or "other property" of any employee benefit plan;
- (5) Any natural person who is a former official, "employee" or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

- b. "Employee" does not mean any agent, independent contractor or representative of the same general character not specified in Paragraph 5.a.
- 6. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 7. "Fraudulent instruction" means:
  - a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction (other than those described in Insuring Agreement A.3.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- 8. "Funds" means "money" and "securities".
- 9. "Messenger" means you or any "employee" while having care and custody of property outside the "premises".
- 10. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 11. "Occurrence" means:
  - a. Under Insuring Agreement A.1.:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
- (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
- b. Under Insuring Agreement A.2.:
  - (1) An individual act;
  - (2) The combined total of all separate acts whether or not related; or
  - (3) A series of acts whether or not related; committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
- c. Under Insuring Agreement A.3.:
  - (1) An individual act;
  - (2) The combined total of all separate acts whether or not related; or
  - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both.
- d. Under All Other Insuring Agreements:
  - (1) An individual act or event;
  - (2) The combined total of all separate acts or events whether or not related; or
  - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, elec-

- tronic data or any property specifically excluded under this policy.
13. "Premises" means the interior of that portion of any building you occupy in conducting your business.
  14. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
    - a. Caused or threatened to cause that person bodily harm; or
    - b. Committed an obviously unlawful act witnessed by that person.
  15. "Safe burglary" means the unlawful taking of:
    - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
    - b. A safe or vault from inside the "premises".
  16. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
    - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
    - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
  17. "Theft" means the unlawful taking of property to the deprivation of the Insured.
  18. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
    - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
    - b. By means of written instructions (other than those described in Insuring Agreement A.3.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
  19. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

ENDORSEMENT# 1

CRIME AND FIDELITY  
CR 02 33 08 07

This endorsement, effective 12:01 am January 1, 2016  
policy number 02-588-60-26  
issued to UTAH COUNTIES INDEMNITY POOL

forms a part of

by National Union Fire Insurance Company of Pittsburgh, Pa.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**UTAH CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

**A. The following is added to the Cancellation Of Policy Condition:**

(7) If this policy has been in effect for more than 60 days or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Material misrepresentation;
- (c) Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or
- (d) Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

(8) Notice of cancellation must be delivered or mailed by first class mail.

**B. The following is added and supersedes any other provision to the contrary:**

**NONRENEWAL**

1. If we elect to not renew this policy, we will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this policy.

2. We need not mail this notice if:

- a. You have accepted replacement

coverage;

b. You have requested or agreed to nonrenewal; or

c. This policy is expressly designated as nonrenewable.

3. If notice is mailed, proof of mailing is sufficient proof of notice.

**C. Under the Commercial Crime Policy and Government Crime Policy, Paragraphs (1) and (4) of the Duties In The Event Of Loss are replaced by the following:**

(1) Notify us or our agent as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Theft Insuring Agreement or Forgery Or Alteration Insuring Agreement) involves a violation of law, you must also notify the local law enforcement authorities.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(4) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

**END 001**

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

- D. Under the Kidnap/Ransom And Extortion Policy, Paragraphs (4) and (6) of the **Duties In The Event Of An Occurrence** Condition is replaced by the following:

(4) Notify us or our agent as soon as possible. You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(6) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

- E. Under the Commercial Crime Policy, Government Crime Policy and Em-

ployee Theft And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

#### LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or
2. Unless full payment has been denied; or
3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you "discover" the loss.

- F. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

#### LEGAL ACTION AGAINST US

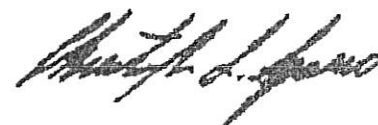
You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or
2. Unless full payment has been denied; or
3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you reported the loss to us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 001

ENDORSEMENT# 2

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**CRIME ADVANTAGE<sup>SM</sup>**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME POLICY**

1. **E. Conditions, Conditions Applicable To Insuring Agreements A.1. And A.2., Termination As To Any Employee,** section (2) is deleted in its entirety and replaced with the following:
  - (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least *90* days after the date of mailing.  
  
We will mail or deliver notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
2. **E. Conditions, Conditions Applicable To All Insuring Agreements, Cancellation Of Policy,** section (2) is deleted in its entirety and replaced with the following:
  - (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
    - (a) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
    - (b) *90* days before the effective date of cancellation if we cancel for any other reason.
3. **F. Definitions, "Employee," a. (1)(a)** is deleted in its entirety and replaced with the following:
  - (a) While in your service and for the first *90* days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
4. **F. Definitions, "Employee," a.** is amended by adding the following at the end thereof:

"Employee" is also deemed to include:

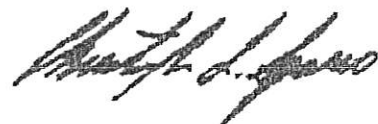
  - (a) Any of your directors, trustees or non-compensated officers while performing acts within the scope of the usual duties of an "employee"
  - (b) Any of your directors or trustees who are members of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts
  - (c) Students gaining work experience
  - (d) Any non-compensated natural person other than one who is a fund solicitor, while performing service for you that are usual to the duties of an "employee"

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**END 002**

- (e) Any of your part- time "employees"
  - (f) Any natural person, whether or not compensated, while performing services for you as the chairman, or a member of any committee
5. With respect to a loss for which coverage is provided by this policy and which is sustained partly during the period of other policies providing coverage for such loss issued to you or to any predecessor in interest of yours and terminated or canceled or allowed to expire as of the inception date of this policy, the amount of the deductible that is applicable to the portion of the loss sustained during this Policy Period shall be reduced, in whole or in part, by:
- (a) The amount of the loss which is sustained by you during the period of such other policies if such loss is less than the amount of the deductible applicable to that loss under such other policies, or
  - (b) The amount of the deductible applicable to the loss sustained by you during the period of such other policies if the applicable deductible is less than the amount of the loss sustained during such period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

ENDORSEMENT# 3

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**ADDITIONAL NAMED INSURED**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY  
GOVERNMENT CRIME POLICY**

**Schedule**

The following Insured(s) is/are added as Named Insured(s):

**NAMED INSURED**

Beaver County  
Box Elder County  
Box Elder Redevelopment Agency  
Canyonland County Improvement District  
Central Health Department  
Daggett County  
Davis County  
Duchesne County  
Duchesne/Wasatch Landfill Special District  
Emery County  
Five County Association of Governments  
Garfield County  
Iron County  
Iron County Ambulance  
Iron County Special Service District #1  
Iron County Special Service District #3  
Juab County  
Juab County Special Service District #1  
Juab County Special Service District #2  
Juab County Special Service Fire District  
Kane County  
Kane County Recreation and Transportation Special Service District  
Kane County Strike Force  
Millard County  
Morgan County  
Municipal Building Authority of Beaver County  
Municipal Building Authority of Duchesne County  
Municipal Building Authority of Emery County

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

Municipal Building Authority of Kane County  
Municipal Building Authority of Piute County  
Municipal Building Authority of Sevier County  
Municipal Building Authority of Six County Infrastructure Coalition  
Municipal Building Authority of Uintah County  
Municipal Building Authority of Washington County  
Municipal Building Authority of Wayne County  
Municipal Building Authority of Weber County  
Piute County  
Rich County  
San Juan County  
San Juan Transportation Special Service District  
Sanpete County  
Sevier County  
Six County Infrastructure Coalition  
Southeast Health Department  
Southwest Health Department  
Tri-County Health Department  
Uintah County  
UCIP Administration  
Wasatch County  
Wasatch County Children's Justice Center  
Wasatch County Solid Waste Special Service District  
Wasatch County Special Service Area #1  
Wasatch County Special Service District #9  
Wasatch Health Department  
Wasatch County Parks & Recreation Special Service District #21  
Washington County  
Washington County/St. George Interlocal Agency  
Wayne County  
Wayne County Special Service District #1  
Wayne County Sanitation District  
Wayne County Travel Council  
Wayne County Water Conservancy District  
Weber County  
Weber-Morgan Health Department  
Weber Human Services

ENDORSEMENT# 3 (Continued)

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

No Limit of Insurance during any period will be cumulative with any other amount  
applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 4**

**CRIME AND FIDELITY**  
**CR 25 20 08 07**  
forms a part of

This endorsement, effective *12:01 am January 1, 2016*  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ADD CREDIT, DEBIT OR CHARGE CARD FORGERY**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

and applies to the Forgery Or Alteration Insuring Agreement:

**SCHEDULE**

Limit Of Insurance	Covered Instruments
<i>\$2,500,000</i>	<input checked="" type="checkbox"/> Includes written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
	<input type="checkbox"/> Limited to written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Covered Instruments either includes or is limited to, whichever is indicated as applicable in the Schedule, written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
2. The most we will pay in any one "occurrence" is the Limit of Insurance shown in the Schedule.

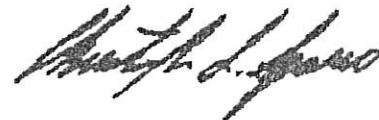
3. The following exclusion is added to Section D.:

The Forgery Or Alteration Insuring Agreement does not apply to:

**NON-COMPLIANCE WITH CREDIT, DEBIT OR CHARGE CARD ISSUER'S REQUIREMENTS**

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

**END 004**

**ENDORSEMENT# 5**

**CRIME AND FIDELITY**  
**CR 25 19 05 06**  
forms a part of

This endorsement, effective *12:01 am January 1, 2016*  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE  
FOR GOVERNMENT EMPLOYEES**

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

and applies to the Insuring Agreements designated below:

**SCHEDULE**

Insuring Agreement		Limit Of Insurance
<input checked="" type="checkbox"/>	Employee Theft - Per Loss Coverage	\$2,500,000
<input type="checkbox"/>	Employee Theft - Per Employee Coverage	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

1. The following is added to the Employee Theft Insuring Agreement designated above:

We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule. That Limit, is part of, not in addition to, the Limit of Insurance shown in the Declarations.

2. The following exclusions are added to Section D.2. Exclusions:

- Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
- Damages for which you are legally liable as a result of:
  - The deprivation or violation of the civil rights of any person by an "employee"; or
  - The tortious conduct of an "em-

ployee", except the conversion of property of other parties held by you in any capacity.

3. The **Indemnification** Condition is replaced by the following:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

4. Part (I) of the **Termination As To Any Employee** Condition is replaced by the following:

(1) As soon as:

(a) You; or

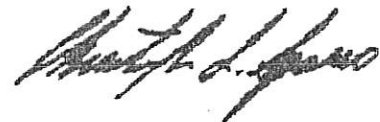
(b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee

**END 005**

ENDORSEMENT# 5 (Continued)

Theft Insuring Agreement, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

**END 005**

ENDORSEMENT# 6

CRIME AND FIDELITY  
CR 25 12 08 07  
forms a part of

This endorsement, effective *12:01 am January 1, 2016*  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**INCLUDE TREASURERS OR TAX COLLECTORS**  
**AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

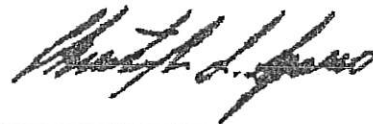
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

**SCHEDULE**

<b>Treasurers Or Tax Collectors</b>
<i>Any Treasurer or Collector of the Insured</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion D.2.d. **Treasurers Or Tax Collectors** is deleted.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

**END 006**

**ENDORSEMENT# 7**

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**PRIOR THEFT OR DISHONESTY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY  
GOVERNMENT CRIME POLICY**

**A. Schedule\***

<b>Prior Theft or Dishonesty Amount:</b>	<b>\$25,000</b>
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

**B. E. Conditions is modified as follows:**

The paragraph entitled **Termination As To Any Employee** is deleted in its entirety from:

- **Conditions Applicable to Insuring Agreement A.1.**  
(with respect to the Commercial Crime Policy)
- **Conditions Applicable to Insuring Agreement A.1. And A.2.**  
(with respect to the Government Crime Policy)

and replaced with the following:

**Termination As To Any Employee**

- (1) This Insuring Agreement is cancelled as to any "employee" immediately upon discovery by:
  - (a) You; or
  - (b) (with respect to the Commercial Crime Policy) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";  
(with respect to the Government Crime Policy) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee"of "theft" or any other dishonest act committed by the "employee"
  - after becoming employed by you; or
  - prior to becoming employed by you, provided that such conduct involved Loss of Money, Securities or other property valued at the amount specified in the schedule above or more.
- (2) The Insuring Agreement terminates as to any "employee" on the date specified in a notice mailed to the first Named Insured. The date will be at least 30 days after the date of mailing. We will mail or deliver our notice to the first named

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**END 007**

ENDORSEMENT# 7 (continued)

Insured's last mailing address known to us. If notice is mailed proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

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**END 007**

ENDORSEMENT# 8

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*


**BONDED EMPLOYEES EXCLUSION DELETED**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME POLICY**

In Section **D. Exclusions**, subparagraph 2., the exclusion entitled **Bonded Employees** is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 9**

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**LOSS PAYABLE**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

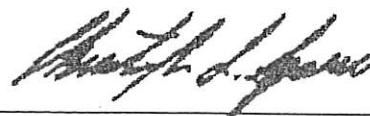
**A. Schedule\***

Name And Address Of Loss Payee
<i>The State of Utah by and through the Permanent Community Impact Fund Board</i>
<i>2110 State Office Building</i>
<i>Salt Lake City, UT 84114-1031</i>

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**B. Provisions**

1. You agree that any loss payable under this insurance shall be paid to the Loss Payee shown in the Schedule as its interests may appear and any such payment shall constitute payment to you. We agree that we will make all such payments to the Loss Payee, and we will not make any payment solely to you unless we receive a request in writing from the Loss Payee to make such payment to you.
2. This insurance is for your benefit only. It provides no rights or benefits to any other person or organization including the Loss Payee, other than payment of loss as set forth in this endorsement.  
Any claim for loss that is covered under this insurance must be presented by you.
3. Our liability under this insurance as extended by this endorsement shall not be cumulative.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT# 10

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**IMPERSONATION FRAUD COVERAGE**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY (DISCOVERY FORM)  
COMMERCIAL CRIME POLICY (LOSS SUSTAINED FORM)  
GOVERNMENT CRIME POLICY (DISCOVERY FORM)  
GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)**

It is agreed that in consideration of the additional premium of \$0, the policy is hereby amended as follows:

1. Insuring Agreement "Funds Transfer Fraud" is amended by adding the following to the end thereof:

Impersonation Fraud Coverage

We will also pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

Notwithstanding the above requirement that the loss of "funds" result directly from a "fraudulent instruction," we will also pay for the loss of "funds" resulting from your receipt of a fraudulent phone call or email from a purported vendor, which advises you that the vendor's bank account information has been changed and you suffer a loss of "funds," because you issued a payment or payments to this fraudulent bank account, based upon your confirmation controls, you believed the fraudulent instruction to change the vendor's bank account information to be valid.

2. Solely with respect to Impersonation Fraud Coverage provided by this endorsement, in Section F. Definitions, the definition of "Fraudulent Instruction" is deleted in its entirety and replaced with the following:

"Fraudulent instruction" means an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction communicated by you or your "employee" based upon an instruction received and relied upon by you or your "employee" which was transmitted:

ENDORSEMENT# 10 (Continued)

This endorsement, effective 12:01 am January 1, 2016 forms a part of  
policy number 02-588-60-26  
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

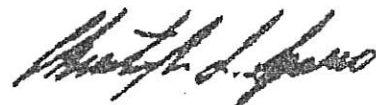
- a. by a purported director, officer, partner, member or sole proprietor of yours or by another "employee" - or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or other "employee" - but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; or
  - b. by a purported director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" - or by an individual acting in collusion with such purported director, officer or employee - but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; provided, however, "fraudulent instruction" shall not include any such instruction transmitted by an actual director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" who was acting in collusion with any third party in submitting such instruction.
3. Solely for purposes of this endorsement, the following definitions are added:
- Vendor means any entity, firm, company, organization, association or individual which has a legitimate pre-existing arrangement or written agreement to provide goods or services to you.
- Client means an entity, firm, company, organization, association or individual to whom we provide goods or services for a fee pursuant to a written contract.
4. Our total liability for coverage provided by this endorsement for all loss arising from a single act or series of related acts is \$100,000 ("Impersonation Fraud Limit"). All amounts paid by us pursuant to this endorsement will be part of, and not in addition to, the applicable Limit of Insurance shown in the Declarations.
  5. Solely with respect to coverage provided by this endorsement, the applicable per occurrence Deductible Amount is \$25,000.
  6. Solely for purposes of this endorsement, the following exclusion shall apply:  
  
The coverage afforded by this endorsement does not apply to any loss occurring prior to 01/01/2016.

This endorsement, effective *12:01 am January 1, 2016* forms a part of  
policy number *02-588-60-26*  
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

7. The most we will pay for all loss resulting directly from an "occurrence" under this endorsement is the Impersonation Fraud Limit shown in Section 4 above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

ENDORSEMENT# 11

This endorsement, effective at 12:01 am January 1, 2016 forms a part of  
Policy number 02-588-60-26  
Issued to: UTAH COUNTIES INDEMNITY POOL

By: National Union Fire Insurance Company of Pittsburgh, Pa.

**INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION**

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY  
ISO GOVERNMENT CRIME POLICY

It is agreed that:

1. Clause D.1.f. Indirect Loss Exclusion is deleted in its entirety and replaced with the following:

f. Indirect or Consequential Loss

Loss that is an indirect or consequential result of an "occurrence", including but not limited to loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



AUTHORIZED REPRESENTATIVE

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**END 011**

ENDORSEMENT# 12

This endorsement, effective at 12:01 am January 1, 2016 forms a part of  
Policy number 02-588-60-26  
Issued to: UTAH COUNTIES INDEMNITY POOL

By: National Union Fire Insurance Company of Pittsburgh, Pa.

**PROTECTED INFORMATION EXCLUSION**

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY  
ISO GOVERNMENT CRIME POLICY

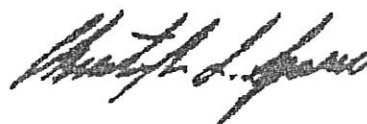
In consideration of the premium charged, it is hereby understood and agreed that this policy does not cover loss resulting directly or indirectly from the: (i) "theft," disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

- (1) confidential or non-public; or
- (2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, any agreement or any industry guideline or standard.

This exclusion shall not apply to the extent that any unauthorized use or disclosure of a password enables a "theft" by your "employee" of your "money," "securities" or "other property" or that you are holding for a third party; provided, however, this exception shall not apply to the extent that such unauthorized use or disclosure of a password enables a "theft" of or disclosure of information.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



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**END 012**

ENDORSEMENT# 13

This endorsement, effective 12:01 am January 1, 2016 forms a part of  
policy number 02-588-60-26  
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

**NOTICE OF CLAIM  
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims:* In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c- claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227- 1750.

2. *Definitions:* For this endorsement only, the following definitions shall apply:
  - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
  - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
  - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**END 013**

**ENDORSEMENT# 14**

This endorsement, effective at 12:01 am January 1, 2016 forms a part of  
Policy No. 02-588-60-26  
Issued to: UTAH COUNTIES INDEMNITY POOL

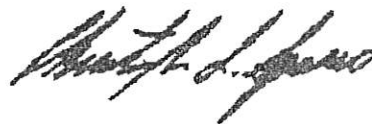
By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ECONOMIC SANCTIONS ENDORSEMENT**

*This endorsement modifies insurance provided under the following:*

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.



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AUTHORIZED REPRESENTATIVE

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**END 014**

Page 1 of 1

ENDORSEMENT# 15

This endorsement, effective 12:01 am January 1, 2016  
policy number 02-588-60-26  
issued to UTAH COUNTIES INDEMNITY POOL

forms a part of

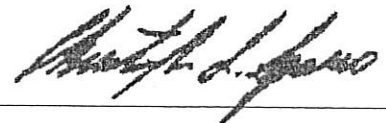
by National Union Fire Insurance Company of Pittsburgh, Pa.

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
CRDS04	08/07	GOVERNMENT CRIME POLICY DECLARATIONS
CR0026	05/06	GOVERNMENT CRIME POLICY (DISCOVERY FORM )
CR0233	08/07	UTAH CHANGES
95427	08/07	CRIME ADVANTAGE
95417	08/07	ADDITIONAL NAMED INSURED
CR2520	08/07	ADD CREDIT, DEBIT OR CHARGE CARD FORGERY
CR2519	05/06	ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES
CR2512	08/07	INCLUDE TREASURER OR TAX COLLECTORS AS EMPLOYEES
95442	08/07	PRIOR THEFT OR DISHONESTY
95419	08/07	BONDED EMPLOYEES EXCLUSION DELETED
CR2014	03/00	LOSS PAYABLE
M116956		IMPERSONATION FRAUD COVERAGE
113024	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
113013	10/12	PROTECTED INFORMATION EXCLUSION
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
89644	06/13	ECONOMIC SANCTIONS ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

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**END 015**

## AFFIDAVIT OF BRUCE ADAMS

STATE OF UTAH                                 )  
  :ss  
COUNTY OF SALT LAKE                         )

Bruce Adams, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.

2. That the Affiant, on or about the 13 day of October, 2016, presided over a meeting of the Utah Counties Indemnity Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Counties Indemnity Pool Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

FURTHER, Affiant saith not.

DATED this 13 day of October, 2016.

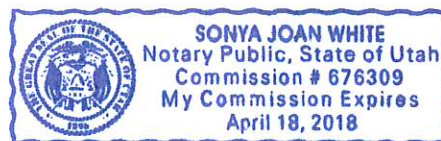


BRUCE ADAMS, President  
Utah Counties Indemnity Pool

On the 13 day of October 2016, personally appeared before me Bruce Adams, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.


  
NOTARY PUBLIC

My Commission Expires: 04/18/2018





SONYA JOAN WHITE  
Notary Public, State of Utah  
Commission # 876300  
My Commission Expires  
April 18, 2018



# First Report All Answers

Reference Number: ML4584024      Questionnaire: UCIP Property Custom Questionnaire  
Finished Date: 09/28/2016      Reporting Location Number:

## County Information

Member County: Emery County  
Insured Contact Name: Mary Huntington  
Insured Contact Address: 75 East Main Street, PO Box 907  
Insured Contact City: Castle Dale  
Insured Contact State: UT  
Insured Contact Zip: 84513  
Insured Contact Work Phone: (435) 381-3578

## Occurrence Information

Date Of Loss: 06/13/2016  
Time Of Loss: 08:00 AM  
Date Reported: 06/14/2016  
Loss Description: County Treasurer Steve Barton received an email from Commissioner Keith Brady requesting he wire transfer \$38,700 to a consultant in Florida, which he did only to find out it was fraudulent email and he had been scammed. The county has recovered all but \$16,000  
Accident Location Name: Steve Barton's Home  
Accident Location Address: 1160 West Elmo Road  
Accident Location City: Elmo  
Accident Location State: UT  
Accident Location Zip: 84521  
Attachment: S Barton email scam.pdf -

## Other

Property Estimate Amount: 16,000  
Structure Secure: Y  
Emergency Work: U  
Subrogation: U

## Witness

## General Info

## Additional Answers

Benefit State: UT  
Insured Address: PO Box 907  
Insured City: Castle Dale  
Insured County: Emery  
Insured Name: Emery County  
Insured Natural Key: UCIP-EME  
Insured Phone: (435) 381-2307  
Insured State: UT  
Insured Zip: 84513  
Master Questionnaire Name: UCIP Property Custom Questionnaire  
UK Insured Postal Code: 84513  
UK Insured Work Phone: 435-381-2307



## STRUCTURE of the BOARD

<u>Representing</u>	<u>Present Board</u>	<u>County</u>	<u>Class</u>	<u>Office</u>	<u>2017 Board</u>	<u>At-Large Nominees Willing to Serve</u>	<u>Counties Yet to be Represented</u>
Second <i>Davis, Washington, Weber</i>	Bret Millburn Victor Iverson Kerry Gibson	Davis Washington Weber	Second Second Second	Commissioner Commissioner Commissioner		Bruce Adams, San Juan County Commissioner Rodney Bennett, Box Elder County Assessor Darin Bushman, Piute County Commissioner Jack Lytle, Daggett County Commissioner Jeff Scott, Box Elder County Commissioner	Daggett Morgan Wayne
Third <i>Box Elder, Iron, Uintah</i>	Mike Wilkins (2017)	Uintah	Third	Clerk/Auditor	Mike Wilkins		
Fourth <i>Duchesne, Millard, San Juan, Sanpete, Sevier, Wasatch</i>	James Kaiserman (2018)	Wasatch	Fourth	Surveyor	James Kaiserman		
Fifth-Sixth <i>Beaver, Daggett, Emery, Garfield, Juab, Kane, Morgan, Piute, Rich, Wayne</i>	William Cox (2019)	Rich	Sixth	Commissioner	William Cox		
At Large	Alma Adams (2017) Bruce Adams (2016) Mark Whitney (2019)	Iron San Juan Beaver	Third Fourth Fifth	Commissioner Commissioner Commissioner	Alma Adams Mark Whitney		
Audit Law Enforcement Litigation Management Personnel	Karla Johnson (2018) Robert Dekker (2018) Dale Eyre (2016) Brad Dee (2016)	Kane Millard Sevier Weber	Fifth Fourth Fourth Second	Clerk/Auditor Sheriff Attorney HR Director	Karla Johnson Robert Dekker		
Present Board Votes by Class	4 2 4 2 1						
Second	4						
Third	2						
Fourth	4						
Fifth	2						
Sixth	1						
Appointed by Member							
Appointed by Board							
Up for Election/Appointment							

## SIXTH AMENDED INTERLOCAL COOPERATION AGREEMENT

### Section 5. BOARD OF TRUSTEES.

The Pool shall be governed by a Board of Trustees. The Members delegate powers and authorities to the Board of Trustees as provided herein and as set forth in the Amended Bylaws.

1. The Board shall be comprised of thirteen persons in the following manner:
  - (a) One Trustee, appointed by the governing body of Davis County, representing Davis County;
  - (b) One Trustee, appointed by the governing body of Washington County, representing Washington County;
  - (c) One Trustee, appointed by the governing body of Weber County, representing Weber County;
  - (d) One Trustee, elected by Member counties of the third class, representing counties of the third class;
  - (e) One Trustee, elected by Member counties of the fourth class, representing counties of the fourth class;
  - (f) One Trustee, elected by Member counties of the fifth and sixth class, representing counties of the fifth and sixth class;
  - (g) Three Trustees, elected by all Member counties, representing all counties at large;
  - (h) One Trustee, appointed by the Board, shall be an Auditor of a Member county, who serves as the Chair of the Audit Committee;
  - (i) One Trustee, appointed by the Board, shall be a Sheriff of a Member county, who serves as the Chair of the Law Enforcement Committee;
  - (j) One Trustee, appointed by the Board, shall be a County Attorney or Deputy County Attorney of a Member county, who serves as the Chair of the Litigation Management Committee and;
  - (k) One Trustee, appointed by the Board, shall be a Personnel Director of a Member county, who serves as the Chair of the Personnel Committee.

2. The terms of the members of the Board of Trustees shall be as follows:
  - (a) Trustees serving pursuant to subsections (a)-(c) shall serve at the pleasure of the governing bodies of the Member.
  - (b) Trustees serving pursuant to subsections (d)-(g) shall be designated as "Elected Trustees" and serve four-year overlapping terms.
  - (c) Trustees serving pursuant to subsections (h)-(k) shall serve four-year terms and may be reappointed to subsequent terms by the Board.
  - (d) Trustees serving pursuant to subsections (h) and (i) shall serve a four-year term ending on December 31 in even numbered years between presidential elections.
  - (e) Trustees serving pursuant to subsections (j) and (k) shall serve four-year terms ending on December 31 of presidential election years.
3. Each Trustee must be a resident of the State of Utah.
4. No person convicted of a felony may serve as a Trustee.
5. Each Trustee shall be an elected or appointed officer or an employee of a Member.
  - (a) Trustees serving pursuant to subsections (a)-(c) shall be a member of the Member's governing body.
  - (b) Trustees serving pursuant to subsections (d)-(i) shall be elected or appointed officers of the Member.
  - (c) Trustees serving pursuant to subsections (j)-(k) shall be an elected or appointed officer or an employee of a Member
6. Election of Trustees shall take place at the annual Membership Meeting. Elected Trustees shall assume office at the first Board meeting of the calendar year following their election.
7. The Board of Trustees shall elect a Nominating Committee from its members. The Nominating Committee shall solicit nominations for available elected Trustee positions in accordance with the Amended Bylaws.

8. A vacancy shall occur on the Board when a Trustee:
  - (a) Submits a written resignation to the Board; or
  - (b) Dies; or
  - (c) Is no longer an elected or appointed officer or employee of a Member; or
  - (d) Fails to attend three consecutive regular meetings of the Board without the Board having excused such absences except that such additional absence or absences shall be excused for temporary mental or physical disability or illness; or
  - (e) Is removed by the Members by a two-thirds vote of the Members present at a Membership Meeting; or
  - (f) Is convicted of a felony; or
  - (g) The Member of which the Trustee is an official or employee terminates their membership in the Pool.
9. Any vacancy in the position of an Elected Trustee may be filled by majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy for the unexpired term.
10. Any vacancy in the position of an appointed Trustee under Article 5.1(a)-(c) shall be filled by appointment from the respective county and the Trustee shall serve for the remainder of the unexpired term. If the county is no longer a Member, the Trustee position shall revert to an at large position, adding to the number of such positions under Section 5.1(g), and be filled by a majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy.
11. Any vacancy in the position of an appointed Trustee under Article 5.1(h)-(k) shall be filled by majority vote of the remaining Trustees and shall fill the unexpired term of the Trustee.

## BYLAWS OF THE SIXTH AMENDED INTERLOCAL AGREEMENT

### ARTICLE 5. Board of Trustees.

#### 5.1 The Board shall:

- (h) Appoint a Nominating Committee to solicit nominations for available elected Trustees positions. Any elected official of a Member or any Trustee may nominate eligible persons to run for available elected Trustee positions. Nominations will be received at the Pool office no later than 30 days prior to the meeting at which the election is scheduled. The Pool will verify that each nominee is willing to serve if elected before forwarding the nominations to the Nominating Committee. The Nominating Committee shall review the nominations and select by a majority vote not more than three names to be placed on the ballot for each available elected Trustee position. A person may not be nominated and placed on the ballot for more than one available elected Trustee position. In the event that no nominations are received for one or more available elected Trustee positions, the President of the Board of Trustees can solicit nominations from the floor on the following conditions:
  - i. The nominee is eligible to serve as a Trustee in accordance with Section 5 of the Agreement; and
  - ii. The nominee, if present, expresses a willingness to serve, or, if not present, the Pool has verified that the nominee has expressed a willingness to serve.



## ANNUAL MEETING of the MEMBERS

---

**November 17, 2016, 4:00 pm**

**The Hilton Garden Inn**  
1731 S Convention Center Drive  
St. George, Utah  
*Indigo Room*

### AGENDA

**Business Session:** *Bret Millburn*

- Introduction of Board and Staff
- Roll Call
- Approval of Minutes
- Nominating Committee Report
- Speeches by Nominees
- Election
- Financial Report

**CEO Report:** *Johnnie Miller*

- Budget Performance
- 2016 Highlights
- 2017 Plan

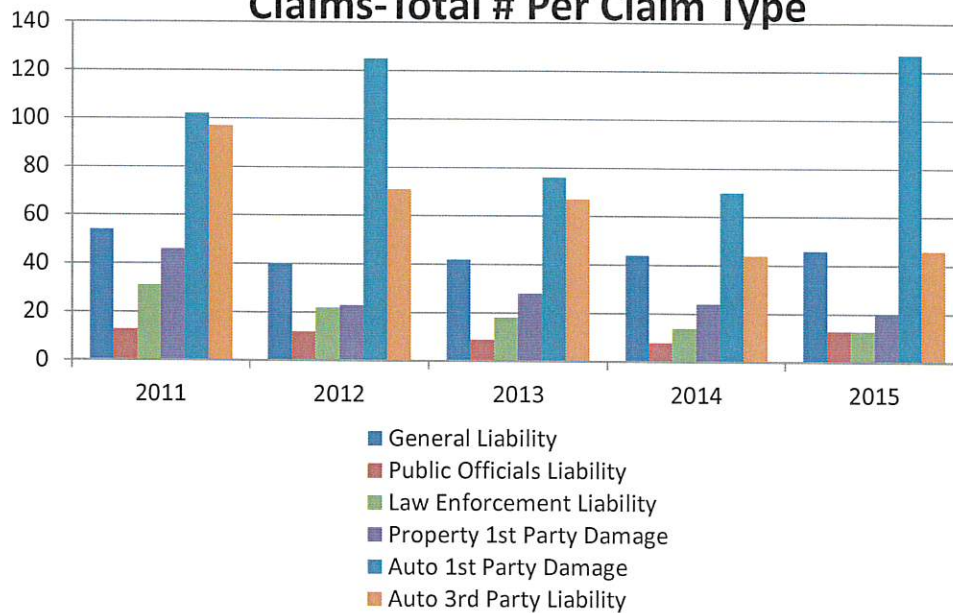
**Board Report:** *Bret Millburn*

**Election Results:** *Alma Adams*

**Dinner:** *Rib & Chop House*



### Claims-Total # Per Claim Type



### Claims-Total Amount Paid

